

Janice K. Brewer Governor Linda J. Blessing, Ph.D. Interim Director

February 2, 2009

Dear Colleague:

As required by A.R.S. §36-2959, the Department contracted with three consulting firms, Burns and Associates, Mercer Government Human Services Consulting and Navigant Consulting, Inc. to complete a study of reimbursement rates for the Division of Developmental Disabilities. The Rate Rebase study is a comprehensive analysis which identified multiple sources of market-based data in addition to provider survey data to determine the costs associated with service delivery. The results of the study establish benchmark rates that are considered fair and equitable.

The consultants obtained information from providers, people with disabilities, their families and division staff through a provider survey, family forums, public comment and other methods. After the preliminary publication of the draft rates (July 11, 2008) and comments received, additional data and clarification were obtained from providers. That information was incorporated and the rates were adjusted as appropriate. At this time, the Department is releasing the final benchmark rates. The benchmark rates will not change the actual rate schedules providers are using at the current time.

Because the benchmark rates and adopted (actual rates billed) rates differ each fiscal year based on legislative appropriation, the Department reviews the benchmark and adopted rates, and implements a step up and step down schedule based on available funding. As the fiscal landscape improves, the gap between the benchmark rates and adopted rates decrease. *Any implementation will also be developed in collaboration with this agency's partners*.

The following materials have been posted to https://www.azdes.gov/ddd/DDDVendorDirectory.asp for your review:

- Summary of Benchmark Rates
- Response to the Questions and Comments Submitted by the Public contains the Consultant Work Group Responses and recommendations to the questions and comments received during the public comment period, and
- Rate ReBaseBook contains an overview of the rate rebase project, an explanation of the methodological changes and an analysis of the rebase rate models.

The Department appreciates the participation and collaboration of all our partners in the Rate Rebase process.

Sincerely,

Barbara Brent Assistant Director

Division of Developmental Disabilities

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